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A. Territory Served by the Utility

The area in which service is or will be furnished by this utility under its main extension rule is described below and is delineated on the service area map(s) shown on or attached to the tariff sheet(s) following:

1. In or near the cities of Artesia, Bellflower, Bell Gardens, Compton, La Cañada, Lynwood, Norwalk and Santa Fe Springs in Los Angeles County. **(N)**

B. Types and Classes of Service

The types and classes of service furnished are set forth in each rate schedule under the designation "Applicability."

C. Description of Service

The characteristics of the service furnished are indicated in Rule No. 2, Description of Service.

D. Procedure to Obtain Service

Service as described herein will be furnished to any person or corporation whose premises are within the utility's service area, provided application is made in accordance with
Rule No. 3, Application for Service; credit is established as required in Rule No. 6, Establishment and Re-establishment of Credit; customer's piping and valves are installed as required in Rule No. 16, Service Connections, Meters, and Customer's Facilities, under "Customer's Responsibility;" and a contract is signed in those certain circumstances specified in Rule No. 4, Contracts.

Where an extension of the utility's mains is necessary, Rule No. 15, Main extensions, applies and if the project is of a temporary or speculative nature, Rule No. 13, Temporary Service, is applicable.

Applicants for service and customers must also conform to and comply with the other established rules as provided herein.

(Continued)

PRELIMINARY STATEMENT Page 2

E. Symbols

Whenever tariff sheets are refilled, changes will be identified by the following symbols:

(C) To signify changed listing, rule of condition which may effect rates or charges.

(D) To signify discontinued materials, including listing, rate, rule or condition.

(I) To signify increase.

(L) To signify material relocated from or to other part of tariff schedules with no change in text, rate, or condition.

(N) To signify new materials including listing, rate, rule, or condition.

(R) To signify reduction.

(T) To signify change in wording of text but not change in rate, rule, or condition.

F. (D)

(D)

PRELIMINARY STATEMENT Page 3

G. Customer Assistance Program (CAP) Revenue Reallocation Balancing Account (T)

1. Purpose: The purpose of the CAP Revenue Reallocation Balancing Account is to track the recorded discounts provided through Schedule No. CAP and the recordable surcharge collected through Schedule No. CAP-SC. The authority to establish this account was granted in CPUC Decision 06-10-036 dated October 19, 2006, and in Public Utilities Code Section 739.8. This account will be in existence until sufficient experience with the CAP is attained such that estimates of participation levels can be reliably forecast in a general rate case proceeding. This account will terminate when so ordered in a CPUC general rate case decision, at which time any remaining debit (under collection) or credit (over collection) balance will be amortized through a rate surcharge or surcredit. **(T)** **(T)** **(T)**

2. Accounting Procedure: The following entries will be made monthly to the CAP Revenue Reallocation Balancing Account: **(T)**

   a. The recorded reduction in billed Service Charge revenues for service provided under Schedule No. CAP (debit). **(T)**

   b. The recorded surcharge revenues for service provided under Schedule No. 1 authorized to fund the CAP Program (credit). **(T)**

   c. Monthly interest expense calculated at 1/12 of the most recent month's interest rate on Commercial Paper (prime,3-month), published in the Federal Reserve Statistical Release, H.15 http://www.federalreserve.gov/Releases/H15/data/Annual/H15_NCFP_M3.txt or its successor publication (debit or credit).

(Continued)

PRELIMINARY STATEMENT Page 4

I. WATER REVENUE ADJUSTMENT MECHANISM/MODIFIED COST BALANCING ACCOUNT(WRAM/MCBA)

1. Purpose
The purpose of the WRAM and the MCBA is to track water revenues and water production related costs for future disposition. The Commission has determined that these accounting mechanisms are appropriate in coordination with a Trial Program of increasing block rate structures and increased conservation activities. The Trial Program will be reviewed in Park's general rate case proceedings.

2. Applicability:
The WRAM and the MCBA apply to all areas served

3. Definitions
A. Non-WRAM revenue is all revenue excluded from the WRAM account, including metered service charges, reclaimed water quantity charges, public and private fire protection service, un-metered service and other miscellaneous revenue. In addition, surcharges and surcredits, unless specifically included in adopted revenue requirement, are excluded from WRAM accounting.

B. WRAM-eligible revenue is all revenue not excluded in 3.A above. Generally, WRAM eligible revenue results from potable quantity charges to permanent residential, business, industrial and public authority customers.

C. Recorded WRAM-eligible revenue is the amount of WRAM-eligible revenue billed to customers in a particular period.

D. Adopted WRAM-eligible revenue is the amount of metered usage-related revenue necessary in conjunction with adopted non-WRAM revenue to generate the adopted revenue requirement.

4. Accounting Procedure:
A. The following entries will be made monthly to the WRAM:
1. Recorded WRAM-eligible revenue
2. Adopted WRAM-eligible revenue (See Paragraph 8)
3. Total net WRAM balance = (1) minus (2)

B. The following entries will be made monthly to the MCBA:
1. Recorded purchased water cost, if applicable
2. Adopted purchased water cost, if applicable (See Paragraph 8)
3. Difference between (1) and (2)
4. Recorded purchased power cost
5. Adopted purchased power cost (See Paragraph 8)
6. Difference between (4) and (5) (L)
7. Recorded replenishment if applicable.
8. Adopted replenishment charges, if applicable (See Paragraph 8)
9. Difference between (7) and (8) (L)

(Continued)

PRELIMINARY STATEMENT Page 5

10. Recorded leased water rights (N)
11. Adopted leased water rights
12. Difference between (10) and (11)
13. Recorded cost of chemicals
14 Adopted cost of chemicals
15. Difference between (13) and (14)
16. Total net MCBA balance = (3) + (6) + (9) + (12) + (15) (N)

5. Park will record the accumulated WRAM Balance monthly, by adding its entry in section A.3 to the prior accumulated monthly balance. Park will record the accumulated MCBA Balance, by adding its entry in Section B.16 to the prior month's accumulated balance. Park shall apply interest to the average net balance in the WRAM and MCBA accounts at a rate calculated at 1/12 of the most recent month's interest rate on Commercial Paper (prime, 3-month), published in the Federal Reserve Statistical Release H.15, (http://www.federalreserve.gov/Releases//H15>NFCP>M3.txt), or its successor publication (debit or credit). Accumulated interest will be included in the amount on which interest is charged, but will be identified as a separate component of the WRAM and MCBA accounts. (T)

6. Disposition:
   A. By March 31st of each year, Park Water will provide the Division of Water and Audit a written report on the status of the WRAM and MCBA (with a copy to DRA). The written report will include a section on the WRAM showing the net accumulated balance as of December 31st of the preceding calendar year. The written report will include a section on the MCBA showing the net accumulated balance as of December 31st of the preceding calendar year. If this report shows that the combined net accumulated balance for the WRAM and the MCBA exceeds 2.0% of the total recorded revenue requirement for the prior calendar year, Park will file an advice letter within 30 days that amortizes the balance in both of the accounts.

   B. In each general rate case filing, Park will address and request amortization of any remaining amounts in the WRAM and MCBA.

   C. Recovery of under-collections and refunds of overcollections will be passed on to ratepayers through volumetric surcharges and surcredits.

7. Maintaining Least Cost Water Mix:
   If there are significant changes in purchased water (which in turn affects the amount of purchased power, replenishment, and leased water rights), Park will make a showing in its next general rate case filing demonstrating that it has exercised due diligence in ensuring the least-cost mix for its water sources, and that the significant change in water purchases was reasonable. For the purpose of the Trial Program, significant changes in water purchases are defined as when the annual volume of purchased water is greater than 10% of the purchased water adopted in the most recent general rate case.

8. WRAM/MCBA Adopted Quantities: (N)
   In order to properly record and report on the WRAM/MCBA balances, Park proposes this preliminary statement as a central location to memorialize the adopted quantities by month for paragraph 4.A.2 (WRAM adopted revenue), 4.B.2 (MCBA adopted purchased water cost), 4.B.5 (MCBA adopted purchased power cost), 4.B.8 (MCBA adopted replenishment cost), 4.B.11 (adopted leased water rights) and 4.B.14 (adopted cost of chemicals). Any time Park files a rate change or other advice letter affecting these components, it will file to amend the appropriate section of the preliminary statement. (N)

(Continued)

PRELIMINARY STATEMENT

WATER REVENUE ADJUSTMENT MECHANISM/MODIFIED COST BALANCING ACCOUNT
(WRAM/MCBA)

Monthly Detail (In Thousands of Dollars)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	
Year_Month	Service Charge and other Non-WRAM Revenue	Quantity Charge Revenue for WRAM	Total Revenue	Purchased Water	Purchased Power	Leased Water Rights	Replenishment	Chemicals	Total Production Cost	
	9,588.9	25,952.4								
2021_07	$904.3	$2,447.49	$3,351.8	$479.3	$30.6	$68.5	$173.9	$5.3	$757.6	(I)
2021_08	$901.5	$2,439.87	$3,341.4	$477.8	$30.5	$68.3	$173.3	$5.3	$755.2	
2021_09	$950.1	$2,571.54	$3,521.7	$503.6	$32.1	$72.0	$182.7	$5.6	$796.0	
2021_10	$880.0	$2,381.81	$3,261.8	$466.4	$29.8	$66.7	$169.2	$5.2	$737.3	
2021_11	$831.9	$2,251.42	$3,083.3	$440.9	$28.1	$63.1	$160.0	$4.9	$696.9	
2021_12	$750.7	$2,031.82	$2,782.5	$397.9	$25.4	$56.9	$144.4	$4.4	$628.9	
2022_01	$772.2	$2,090.04	$2,862.3	$409.3	$26.1	$58.5	$148.5	$4.5	$646.9	
2022_02	$725.0	$1,962.18	$2,687.2	$384.2	$24.5	$55.0	$139.4	$4.3	$607.4	
2022_03	$626.7	$1,696.11	$2,322.8	$332.1	$21.2	$47.5	$120.5	$3.7	$525.0	
2022_04	$675.4	$1,827.95	$2,503.3	$358.0	$22.8	$51.2	$129.9	$4.0	$565.8	
2022_05	$757.8	$2,050.97	$2,808.8	$401.6	$25.6	$57.4	$145.7	$4.4	$634.9	
2022_06	$813.3	$2,201.18	$3,014.5	$431.0	$27.5	$61.6	$156.4	$4.8	$681.4	
12 Month Total	$9,588.9	$25,952.4	$35,541.3	$5,082.1	$324.3	$726.9	$1,843.8	$56.2	$8,033.3	

2021-2022 Adopted Quantities	
Total Operating Revenue	$35,541.3
Total Purchased Water	$5,082.1
Total Purchased Power	$324.3
Total Leased Water Rights	$726.9
Total Replenishment	$1,843.8
Total Chemicals	$56.2
	$8,033.3

(I)

(Continued)

PRELIMINARY STATEMENT

J. (D)

(D)

(Continued)

PRELIMINARY STATEMENT

K.

(D)

(D)

(Continued)

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L. (D)

(D)

PRELIMINARY STATEMENT Page 10

N. (D)

(D)

O. (D)

(D)

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O. (D)

(D)

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R. (D)

(D)

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R. (D)

S. (D)

(D)

(D)

PRELIMINARY STATEMENT

T. (D)

(D)

(Continued)

PRELIMINARY STATEMENT

T. (D)

(D)

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U. (D)

(D)

PRELIMINARY STATEMENT Page 20

W. 2014 Water Conservation Memorandum Account **(D)**

1. Purpose
The purpose of the 2014 Water Conservation Memorandum Account ("2014WCMA") is to track incremental expenses incurred by Park to activate Rule 14.1 voluntary conservation, Schedule 14.1 mandatory rationing efforts, and other activities associated with the Governor of the State of California's Drought Emergency Declaration dated January 17, 2014 and Executive order dated April 25, 2014, and drought procedures ordered by the Commission for water conservation.

   The 2014WCMA will record Park's incremental public relations expenses, incremental water conservation material expenses, and other Operations and Maintenance ("O&M") and Administrative and General ("A&G") expenses that are unforeseen and unexpected directly associated with complying and implementing the mandated conservation practices outlined in Rule 14.1, Schedule 14.1, the Governor of the State of California's Drought Emergency Declaration dated January 17, 2014 and Executive order dated April 25, 2014, and drought procedures ordered by the Commission for water conservation. The authority to establish this account was granted in Resolution W-4976 dated February 27, 2014.

2. Accounting Procedure
The following entries will be made monthly to the 2014 Water Conservation Memorandum Account:

   a. The recorded incremental costs (debit).

   b. Monthly interest expense calculated at 1/12 of the most recent month's interest rate on Commercial Paper (prime, 3-month), published in the Federal Reserve Statistical Release H.15, (http://www.federalreserve.gov/Releases//H15>NFCP>M3.txt), or its successor publication (debit or credit).

3. Effective Date
The 2014WCMA shall have an effective date of February 27, 2014, the effective date of Commission Resolution W-4976. **(D)**

(Continued)

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X. 2016 Interim Rates Memorandum Account ("IRMA") **(D)**

1. Purpose
The purpose of the 2016 IRMA is to track the difference between the interim rates and the final rates adopted by the Commission in Application 15-01-001. The authority to establish this account was granted in the Administrative Law Judge's ruling dated October 27, 2015 in Application 15-01-001.

2. Applicability
The 2016 IRMA applies to all areas served.

3. Effective Date
The 2016 IRMA will become effective on January 1, 2016.

4. Disposition
The 2016 IRMA will remain in effect until a decision is reached in Park's A.15-01-001 and the new rates are implemented at which time Park will file an Advice Letter requesting amortization of the balance. **(D)**

Y. Group Pension Expense Balancing Account

1. Purpose
The purpose of the Group Pension Expense Balancing Account is to track the difference between adopted and actual pension expenses. Park will file an Advice Letter to request the recovery of the balance or request recovery in Park's next general rate case application. The authority to establish this account was granted in Decision D.16-01-009, dated January 14, 2016.

2. Accounting Procedure
A. The following entries will be made monthly to the Group Pension Expense Balancing Account:
1. Recorded pension expense
2. Adopted pension expense
3. Net pension expense = (1) minus (2)
B. Monthly interest expense calculated a 1/12 of the most recent month's interest rate on Commercial Paper (prime, 3-month), published in the Federal Reserve Statistical Release H.15 (http://www.federalreserve.gov/Releases//H15>NFCP>M3.txt), or its successor publication (debit or credit).

(Continued)

PRELIMINARY STATEMENT Page 22

Z. Conservation Expense One-Way Balancing Account **(D)**

1. Purpose
   The purpose of the Conservation Expense One-Way Balancing Account (CEOWBA) is to track the difference between actual conservation program expenses and authorized conservation program expenses. The CEOWBA will be capped at the total adopted expenses for 2016-2018 combined (approximately $1,315,000) depending on the actual escalation factors for the escalation years.

2. Applicability
   The following entries will be made monthly to the Conservation Expense One-Way Balancing Account:

   a. A credit entry shall be made to the CEOWBA at the end of each month to record 1/12 of the authorized conservation program expenses for years 2016, 2017, and 2018, as adopted in D.16-01-009.
   b. A debit entry shall be made to the CEOWBA at the end of each month to record monthly actual conservation expenses.
   c. The net difference between the monthly actual expenses and the monthly authorized expenses shall be recorded as a monthly entry in the CEOWBA. If the amount in 2a. exceeds the amount in 2b., a positive entry shall be entered. If 2b. exceeds 2a., a negative entry shall be entered. At the end of the three year authorization cycle, the cumulative internal spending cap (approximately $1,315,000) must not be exceeded before a refund filing is required.
   d. Monthly interest expense calculated at 1/12 of the most recent month's interest rate on Commercial Paper (nonfinancial, 3-month), published in the Federal Reserve Statistical Release H.15, (http://www.federalreserve.gov/Releases//H15>NFCP>M3.txt), or its Successor publication (debit or credit).
      Refund: If at the end of 2018, the cumulative balance in the CEOWBA is positive (meaning the actual conservation expenses did not exceed the authorized expenses), Park shall refund the net positive balance to its customers. If the amount in the cumulative balance is negative at the end of 2018, then that balance shall not be recovered from customers.

3. Effective Date
   The CEOWBA shall have the effective date of January 1, 2016.
4. Termination
   The CEOWBA shall terminate on December 31, 2018, or when the surcredit (if applicable) expires, whichever is later.
5. Disposition
   Liberty Park Water will file a tier 2 advice letter with the Division of Water and Audits to dispose of any refunds (if applicable) recorded in the CEOWBA. **(D)**

(Continued)

AA.

Consolidated Expense Balancing Account (CEBA) (N)

1. Purpose

The purpose of the Consolidated Expense Balancing Account is to consolidate the amortization of Commission approved balancing account and memorandum accounts where appropriate.

2. Applicability

The following entries will be made monthly to the Consolidated Expense Balancing Account:

a. Authorized balancing or memorandum account under-collections will be credited from the current account and debited to the CEBA.

b. Authorized balancing or memorandum account over-collections will be debited from the current account and credited to the CEBA.

c. Any surcharge collections will be applied as a credit to the overall balance.

d. Any surcredits will be applied as a debit to the overall balance.

e. A debit or credit entry equal to interest on the balance in the account at the beginning of the month and half the balance after the above entries, at a rate equal to one-twelfth of the rate on 90 day Commercial Paper, as reported in the Federal Reserve Statistical Release, H.15 or its successor.

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3. Effective Date

The CEBA shall go into effect on the effective date of Advice Letter 266-W-A.

4. Disposition

The CEBA is recoverable through a Tier 1 advice letter filing. If the net CEBA balance after incremental transfers is under-collected, the account will be amortized by applying a uniform volumetric surcharge. If the net CEBA balance after incremental transfers is over-collected, the net over-collection shall be amortized and credited to the service charge of all customers. (N)

BB. School Lead Testing Memorandum Account (N)

Liberty Park Water shall maintain a School Lead Testing Memorandum Account ("SLTMA") to track incremental expenses (not already reflected in authorized rates) associated with conducting lead tests at K-12 grade schools within Liberty Park Water's service territory that request this service.

The SLTMA is being established pursuant to the Amendment to the Domestic Water Supply permits issued by the State Water Resources Control Board's Division of Drinking Water ("DDW") to Liberty Park Water on January 17, 2017.

1. Purpose

The purpose of the SLTMA is to track the incremental expenses (not already reflected in authorized rates) for customer outreach, and other incremental operation costs, including but not limited to, legal, Operations and Maintenance and Administrative and General expenses that are unforeseen, unexpected, and directly associated with complying and implementing the School Lead Testing Program.

2. Applicability

The SLTMA does not have a rate component.

The SLTMA shall include, but will not be limited to:

a. Incremental and necessary labor costs associated with planning and coordination with K-12 schools to develop individual sampling plans, collecting and submitting samples to laboratories, and administering program requirements including assisting the school with interpretation of laboratory results and contracted labor;
b. Laboratory fees for all lead sampling and reporting of the results to DDW and the school, and all laboratory coordination and instruction;
c. Incremental customer outreach costs that are necessary in coordination with the local school district, local community, and local officials, in compliance with DDW's School Lead Testing Program.

Liberty Park Water shall maintain the SLTMA by making entries at the end of each month as follows:

a. A debit entry shall be made to the SLTMA at the end of each month to record the expenses discussed above.
b. Interest shall accrue to the SLTMA on a monthly basis by applying a rate equal to one-twelfth of the 3-month Commercial Paper Rate, as reported in the Federal Reserve Statistical Release, to the average of the beginning-of-month and the end-of-month balances.

3. Effective Date

The SLTMA shall go into effect on January 17, 2017.

4. Disposition

Disposition of amounts recorded in the SLTMA shall be determined in a subsequent filing, as authorized by the Commission. (N)

(Continued)

CC. Tax Cuts and Jobs Act ("TCJA") Memorandum Account

1. Purpose: The purpose of the TCJA Memorandum Account (Memo Account) is to track on a CPUC-jurisdictional revenue requirement basis the impacts of the TCJA not otherwise reflected in rates from January 1, 2018 until the effective date of the revenue requirement changes in the Utility's next General Rate Case (Memo Account Period).

2. General Information. The Utility shall record in this Memo Account realized increases or decreases in its CPUC-jurisdictional revenue requirement resulting from the TCJA. The Memo Account shall be used in determining whether any rate adjustment is necessary to reflect impacts of the TCJA during the Memo Account Period.

3. Memo Account Entries. The entries in the Memo Account may include the following:
   a. Realized decreases in revenue requirement resulting from the TCJA during the Memo Account Period.
   b. Realized increases in revenue requirement resulting from the TCJA during the Memo Account Period.
   c. Balances in the Memo Account will accrue interest at the 90-day commercial paper rate.

4. Disposition of Memo Account Balance. In the Utility's next General Rate Case, or at such other time as ordered by the CPUC, the balance in the Memo Account shall be addressed and rates shall be adjusted accordingly, as appropriate.

DD. California Alternative Rates for Water (CARW) Balancing Account (N)

1. Purpose: The purpose of the CARW Balancing Account is to track the discounts provided to customers in the La Cañada service area. The authority to establish this account was granted in CPUC Decision 19-04-023 dated May 3, 2019. The disposition of the balance in the CARW balancing account for purposes of ratemaking and cost recovery responsibility shall be resolved in the 2022 General Rate Case of Liberty Park Water.

   a. The recorded reduction in billed Service Charge revenues for service provided under Schedule No. CARW (debit).
   b. Monthly interest expense calculated at 1/12 of the most recent month's interest rate on Commercial Paper (prime, 3-month), published in the Federal Reserve Statistical Release, www.federalreserve.gov/releases/H15, or its successor publication (debit/credit). (N)

EE. Interim Rates Memorandum Account (IRMA)

1. Purpose: The purpose of the IRMA is to track the difference between the interim rates and final rates adopted by the Commission in A.18-01-002 et al. The authority to establish this account was granted in Administrative Law Judge Burcham's ruling dated March 19, 2019 in Application 18-01-002 et al.

2. Applicability
   The IRMA applies to all areas served.

3. Effective Date
   The IRMA will become effective on July 1, 2019.

4. Disposition
   The IRMA will remain in effect until a decision is reached in Liberty Park Water's A.18-01-002 et al and the new rates are implemented at which time Liberty Park Water Will file an Advice Letter requesting amortization of the balance.

FF. Catastrophic Event Memorandum Account ("CEMA") (N)

1. Purpose: The purpose of the Catastrophic Event Memorandum Account ("CEMA") is to record all the costs incurred by the Utility associated with a catastrophic event. The authority to establish this account was granted in CPUC D.19-07-015. The Utility will record the costs for the following in the CEMA:

   a. Restoring utility service to the Utility's Customers;
   b. Repairing, replacing, or restoring damaged Utility facilities; and
   c. Complying with governmental agency orders.

   In addition, pursuant to Ordering Paragraph 10 of D.19-07-015 the CEMA shall be used to track associated costs for implementing customer protections for all disasters where the Governor of California or the President of the United States has declared a state of emergency. Each entries in the account shall be segregated by qualifying event. (N)

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FF. Catastrophic Event Memorandum Account ("CEMA")

2. Procedure
   a. A catastrophic event is defined as a disaster or state of emergency as declared by the appropriate federal or state authorities which includes the Governor of California or the President of the United States.
   b. Should a catastrophic event occur, the Utility will inform the Commission by letter within 30 days after the event that the Utility has started accruing costs in the CEMA. The letter shall be mailed to the Executive Director of the CPUC.
   c. The letter shall specify the date, time and location of the catastrophic event. The letter shall also state which service areas are affected, the impact on the Utility's facilities, and give an estimate of the extraordinary costs expected to be incurred.
   d. Entries to the CEMA shall be made at the end of each month commencing with the month in which the event occurs. The Utility shall record capital costs and expenses separately.
   e. Monthly interest expense would be calculated at 1/12 of the most recent month's interest rate on Commercial Paper (non-financial, 3-month), published in the Federal Reserve Statistical Release, www.federalreserve.gov/releases/H15, or its successor publication (debit/credit).
   f. The Utility shall not record any capital costs or expenses incurred prior to the start of the declared disaster or state of emergency, as identified by the appropriate authorities.
3. Applicability
   The CEMA balance will be recovered from all customer classes, unless specifically requested for exclusion by the Utility.
4. Disposition
   Costs recorded in the CEMA may be recovered in rates only after a request by the Utility, a showing of reasonableness, and approval by the Commission. Such a request may be made by formal application specifically for that purpose, by inclusion in a subsequent general rate case, or advice letter request.

GG. Polyfluoroalkyl Substances Memorandum Account (PFASMA) **(N)**

1. Purpose: The purpose of the PFASMA is to record the incremental expenses that are not included in Liberty Park Water's revenue requirement, to comply with the regulatory standards set by the State Water Control Board, to detect, monitor, and report per-and polyfluoroalkyl substances (PFAS) in drinking water. **(N)**

PRELIMINARY STATEMENT Page 29

GG. Polyfluoroalkyl Substances Memorandum Account (PFASMA) (continued)

2. Applicability
   Liberty Park Water expects to incur costs related to, but not limited to, the following:
   a. Laboratory testing and monitoring – due to the specialized nature of the analyses (new and developing methods, low detection limits and sensitivity for sample Contamination), the cost for each analysis is much greater than routine monitoring tests.
   b. Customer/public notifications.
   c. Chemical and operating costs for treatment.
   d. Special studies related to treatment options.

3. Accounting Procedure
   a. A debit entry shall be made to the PFASMA to record all related costs including, but not limited to, laboratory testing/monitoring, customer/public notifications, chemical costs, and special treatment studies.
   b. Interest shall accrue to the PFASMA on a monthly basis by applying a rate equals to one-twelfth of the 3-month Commercial Paper Rate (non-financial), as reported in the Federal Reserve Statistical Release, www.federalreserve.gov/releases/H15, or its successor publication.
4. Effective Date
   The PFASMA shall be effective on October 9, 2020.

5. Disposition
   Disposition of amounts recorded in the PFASMA shall be determined in Liberty Park Water's next General Rate Case application or as determined by the Commission, if the account's cumulative balance exceeds 2% of Liberty Park Water's adopted gross revenues.

HH. Conservation Expense One-Way Balancing Account **(N)**

1. Purpose
   The purpose of the Conservation Expense One-Way Balancing Account ("CEOWBA") is to track the difference between actual program expenses and authorized conservation program expenses. The CEOWBA will be capped at the total adopted expenses for 2019-2021 combined (approximately $1,041,693) depending on the actual escalation factors for the escalation years.
2. Applicability
   The following entries will be made monthly to the CEOWBA:
   a. A credit shall be made to the CEOWBA at the end of each month to record 1/12 of the authorized conservation program expenses for 2019, 2020, and 2021, as adopted in D.20-09-019. **(N)**

HH. Conservation Expense One-Way Balancing Account (continued) **(N)**

2. Applicability
   b. A debit entry shall be made to the CEOWBA at the end of each month to the monthly actual conservation expenses.
   c. The net difference between the monthly actual expenses and the monthly authorized expenses shall be recorded as a monthly entry in the CEOWBA. If the amount in 2a. exceeds the amount in 2b., a positive entry shall be entered. If 2b. exceeds 2a., a negative entry shall be entered. At the end of the three year authorization cycle, the cumulative internal spending cap (approximately $1,041,693) must not be exceeded before a refund filing is required.
   d. Monthly interest expense will be calculated at 1/12 of the most recent month's interest rate on Commercial Paper (non-financial, 3-month), published in the Federal Reserve Statistical Release H.15, (http://www.federalreserve.gov/releases/H15/), or its successor publication (debit or credit).
   Refund: If at the end of June 30, 2022, the cumulative balance in the CEOWBA is positive (meaning the actual conservation expenses did not exceed the authorized expenses), Liberty Park Water shall refund the net positive balance to its customers. If the amount in the cumulative balance is negative at the end of June 30, 2022, then that balance shall not be recovered from customers.
3. Effective Date
   The CEOWBA shall have the effective date of July 1, 2019.
4. Termination
   The CEOWBA shall terminate on June 30, 2022, or when the surcredit (if applicable) expires, whichever is later.
5. Disposition
   Liberty Park Water will file a Tier 2 Advice Letter with Water Division to dispose of any refunds (if applicable) recorded in the CEOWBA. **(N)**

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JJ. **Drinking Water Fee Memorandum Account** **(D)**

1. Purpose

   The purpose of the Drinking Water Fees Memorandum Account (DWFMA) is to track the difference between actual drinking water fees charged by the State Water Resources Control Board (State Board) (based upon the revised fee schedule adopted by the State Board on September 22, 2021) and the drinking water fees authorized in rates.

2. Applicability

   Liberty Park Water shall maintain the DWFMA by making entries at the end of each month as follows:
   a. A debit entry shall be made to the DWFMA at the end of each month to record the expenses.
   b. Interest shall accrue to the DWFMA on a monthly basis by applying a rate equal to one twelfth of the 3-month non-financial Commercial Paper Rate, as reported in the Federal Reserve Statistical Release, to the average of the beginning-of-month and the end-of-month balances. H.15, (http://www.federalreserve.gov/Releases//H15>NFCP>M3.txt), or its successor publication (debit or credit).

3. Effective Date

   The DWFMA shall go into effect on the effective date of Liberty Park Water's Advice Letter AL 320-W. The DWFMA will sunset with the effective date of Liberty Park Water's rates from its July 2024 General Rate Case application.

4. Disposition

   Disposition of amounts recorded in the DWFMA shall be determined in Liberty Park Water's next General Rate Case application, or as otherwise determined by the Commission if the account's cumulative balance exceeds 2% of Liberty Park Water's adopted gross revenues. The recovery of over/under collections will be passed on to the customers through volumetric surcredits or surcharges. **(D)**

KK. **Sativa Revenue Memorandum Account ("SRMA")**

1. Purpose

   The purpose of the Sativa Revenue Memorandum Account ("SRMA") is to track the customers' share of revenue (30%) of the net revenue associated with the Sativa Contract. The net revenue is the difference between the gross revenue and associated production expenses (purchased water, purchased power, replenishment, leased water rights, and chemicals).

2. Effective Date

The SRMA will go into effect on the effective date of Liberty Park Water's Advice Letter 321-W-A. The SRMA will terminate with the termination of the Sativa Contract.

(Continued)

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KK. Sativa Revenue Memorandum Account ("SRMA") (Continued)

3. Disposition

Liberty Park Water will file an advice letter refunding balance recorded in the SRMA to customers at the termination of the Sativa Contract.

LL. Drought Revenue Memorandum Account **(N)**

1. Purpose

The purpose of the 2022 Drought Revenue Memorandum Account ("2022 DRMA") is to track the usage revenue shortfalls and drought surcharge revenues associated with the activation of Schedule 14.1 and Rule 14.1 for future disposition. The 2022 DRMA is consistent with Commission's Resolution W-4976 and Standard Practice U-40-W, Procedures for Water Conservation, Rationing, and Service Connection.

2. Applicability

The 2022 DRMA is apply to all areas served.

3. Definitions

A. Usage Revenue is all revenue excluding metered service charges, reclaimed water quantity charges, public and private fire protection service, and unmetered and other miscellaneous revenue. In addition, surcharges and surcredits, unless specifically included in adopted revenue requirement, are excluded from usage revenue.

B. Recorded Usage Revenue is the amount of usage revenue billed for water distributed to customers in a particular period.

C. Adopted Usage Revenue is the amount of metered usage-related revenue necessary in conjunction with adopted usage revenue to generate the adopted revenue requirement.

D. Drought Surcharge Revenue is the amount of surcharge billed to customers related for activation of Schedule 14.1 in a particular period.

4. Accounting Procedure

A. The following entries will be made monthly to the 2022 DRMA to record the usage revenue shortfalls:

1. Recorded usage revenue.

2. Adopted usage revenue.

3. Total net usage revenue shortfalls = (2) - (1) (Debit or Credit).

B. The following entries will be made monthly to the 2022 DRMA to record the drought surcharge revenues:

1. Recorded drought surcharge revenue (Credit).

C. Total Net 2022 DRMA balance = (A.3) + (B.1) (Debit or Credit). **(N)**

(Continued)

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LL. Drought Revenue Memorandum Account (continued)

4. Accounting Procedure (continued)

   D. Monthly interest expense calculated at 1/12 of the most recent month's interest rate on the 3-month non-financial Commercial Paper Rate, published in the Federal Reserve Statistical Release, to the average of the beginning-of-month and the end-of-month balances. H.15, (http://www.federalreserve.gov/Releases//H15>NFCP>M3.txt), or its successor publication (debit or credit).

5. Effective Date

   The 2022 DRMA shall have an effective date of July 1, 2022.

6. Disposition

   Disposition of amounts recorded in the 2022 DRMA shall be determined in Liberty Park Water's next General Rate Case application, or as otherwise determined by the Commission if the account's cumulative balance exceeds 2% of Liberty Park Water's adopted gross revenues.

MM. Interim Rates Memorandum Account

1. Purpose

   The purpose of the Interim Rates Memorandum Account ("IRMA") is to track the difference between the interim rates and the final rates adopted by the Commission in A.21-07-003, et al for rate case cycle 2022-2024. The authority to establish this account was granted in Administrative Law Judge Park's ("ALJ") ruling dated May 27, 2022 in Application 21-07-003 et al.

2. Applicability

   The IRMA applies to all areas served.

3. Effective Date

   The IRMA will become effective on July 1, 2022.

4. Disposition

   The IRMA will remain in effect until a decision is reached in Liberty Park Water's A.21-07-003, et al. and the new rates are implemented at which time Liberty Park Water will file an Advice Letter requesting amortization of the balance.

NN. Suburban Revenue Memorandum Account **(N)**

1. Purpose

   The purpose of the Suburban Revenue Memorandum Account ("SRMA") is to track the customers' share of revenue (30%) of the net revenue associated with the Suburban Contract. The net revenue is the difference between the gross revenue and associated production expenses (purchased power, replenishment, leased water rights, and chemicals).

2. Effective Date

   The SRMA will go into effect on the effective date of Liberty Park Water's Advice Letter 330-W. The SRMA will terminate with the termination of the Suburban Contract. **(N)**

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NN. Suburban Revenue Memorandum Account (continued)

3. Disposition
   Liberty Park Water will file an advice letter to refund the balance recorded in the SRMA to customers at the termination of the Suburban Contract.

OO. Monterey Water Revenue Adjustment Mechanism (MWRAM) Balancing Account **(N)**

1. Purpose

   The purpose of the Monterey Water Revenue Adjustment Mechanism ("MWRAM") Balancing Account is to track differences between recorded quantity rate water revenues received under tiered rates to the equivalent rate revenues received if Liberty Park Water had single quantity rates, known as uniform rates, for residential customers. The Commission has determined that the accounting mechanism is appropriate in coordination with a trial program of increasing block rate structures and increased conservation activities. The authority to establish this account was authorized in D.23-02-003.

2. Applicability

   The MWRAM applies to all areas served.

3. Effective Date

   The MWRAM shall become effective on July 1, 2022.

4. Definitions

   a. Non-MWRAM revenue is all revenue excluded from the MWRAM account, including metered service charges, residential quantity charges billed at the uniform rate, non-residential quantity charges and public and private fire protection service and other unmetered miscellaneous revenue. In addition, surcharges and surcredits, unless specifically included in adopted revenue requirement, will be excluded from MWRAM tracking.

   b. MWRAM-eligible revenue is all revenue not excluded in 4.a, above. Generally, MWRAM eligible revenue results from potable quantity charges to residential customers being charged tiered rates and not uniform rates.

   c. Recorded MWRAM-eligible revenue is the amount of residential tiered usage-related revenue billed to qualifying customers in a particular period.

   d. Adopted MWRAM-eligible revenue is the amount of residential tiered rate quantity related revenue calculated at uniform rates using actual quantity billed.

5. Accounting Procedure

   a. The following entries will be recorded monthly in the MWRAM:

      1. Recorded MWRAM-eligible revenue.

      2. Adopted MWRAM-eligible revenue.

      3. Total Net MWRAM balance = (2) minus (1).

      4. A negative (-) balance in the MWRAM reflects a utility over collection to refunded, whereas a positive balance reflects a utility under collection to be recovered in rates. **(N)**

(Continued)

OO. Monterey Water Revenue Adjustment Mechanism (MWRAM) Balancing Account **(N)**

5. Accounting Procedure (continued)

   b. The company will record the accumulated MWRAM balance monthly, by adding its entry in Section a.3 above to the prior accumulated monthly balance.

   c. Monthly interest expense shall be calculated at 1/12 of the most recent month's interest rate on the 3-month non-financial Commercial Paper Rate, published in the Federal Reserve Statistical Release, to the average of the beginning-of-month and the end-of-month balances. H.15, (http://www.federalreserve.gov/Releases//H15>NFCP>M3.txt) or its successor publication.

6. Disposition

   If the accumulated balance for the MWRAM exceeds 2% of the total authorized revenue requirement for the prior calendar year, the Company will file an advice letter to amortize the balance. If the cumulative 2% threshold is not met, the balance in the account will be amortized in Liberty Park Water's next General Rate Case.

PP. Incremental Cost Balancing Account (ICBA)

1. Purpose

   The purpose of the Incremental cost Balancing Account ("ICBA") is to track the water supply related costs for the domestic (potable water) system. These costs shall include purchased water, purchased power, replenishment, and chemicals. The authority to establish this account was authorized in D.23-02-003.

2. Applicability

   The ICBA applies to all areas served.

3. Effective Date

   The ICBA shall become effective on July 1, 2022.

4. Accounting Procedure

   a. The following entries will be recorded monthly in the ICBA:

      1. Recorded purchased water cost per A.F.
      2. Adopted purchased water cost per A.F.
      3. Difference between (1) and (2)
      4. Multiply (3) by recorded A.F.
      5. Recorded purchased power cost per A.F.
      6. Adopted purchased power cost per A.F.
      7. Difference between (6) and (7).
      8. Multiply (7) by recorded A.F.
      9. Recorded Replenishment cost per A.F.
      10. Adopted Replenishment cost per A.F.
      11. Difference between (9) and (10). **(N)**

(Continued)

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PP. Incremental Cost Balancing Account (ICBA)

4. Accounting Procedure (continued)

a. The following entries will be recorded monthly in the ICBA: (continued)

12. Multiply (11) by recorded A.F.
13. Recorded Replenishment Leased Water Rights cost per A.F.
14. Adopted Replenishment Leased Water Rights cost per A.F.
15. Difference between (13) and (14).
16. Multiply (15) by recorded A.F.
17. Recorded chemicals cost per A.F.
18. Adopted chemicals cost per A.F.
19. Difference between (17) and (18).
20. Multiply (19) by recorded A.F.
21. Total Net ICBA = (4) + (8) + (12) + (16) + (20)
22. A negative (-) balance in the ICBA reflects a utility over collection to be refunded, whereas a positive (+) balance reflects a utility under collection to be recovered in rates.

b. The company will record the accumulated ICBA balance monthly, by adding its entry in Section a.21 above to the prior accumulated monthly balance.

c. Monthly interest expense shall be calculated at 1/12 of the most recent month's interest rate on the 3-month non-financial Commercial Paper Rate, published in the Federal Reserve Statistical Release, to the average of the beginning-of-month and the end-of-month balances. H.15, (http://www.federalreserve.gov/Releases//H15>NFCP>M3.txt) or its successor publication.

5. Disposition

If the accumulated balance for the ICBA exceeds 2% of the total authorized revenue requirement for the prior calendar year, the Company will file an advice letter to amortize the balance. If the cumulative 2% threshold is not met, the balance in the account will be amortized in Liberty Park Water's next General Rate Case.

QQ. Lead and Copper Rule Revisions Memorandum Account (LCRRMA) **(N)**

1. Purpose
The purpose of the LCRRMA is to track and recover any incremental expenses and carrying costs on capital investments incurred by Liberty Park Water that are required to comply with the United States Environmental Protection Agency's (EPA) Lead and Copper Rule Revisions (LCRR) that are not otherwise covered in Liberty Park Water's authorized rates.

2. Applicability
Liberty Park Water expects to incur expenses related to the initial comprehensive study of service line materials that include incremental operations and maintenance (O&M) costs, and carrying costs on capital investments that may be required. Costs may include but are not limited to the following: **(N)**

(Continued)

QQ. Lead and Copper Rule Revisions Memorandum Account (LCRRMA) (Continued)

2. Applicability (continued)
   - Development of service line material inventories for each of Liberty Park Water's water systems;
   - Preparation of Lead Service Line Replacement (LSLR) Plans for each system;
   - Replacement of service lines (if necessary);
   - Preparation of a Standard Operating Procedure (SOP) for the development and ongoing maintenance of the customer service line inventories;
   - Development of sampling plans for lead and copper compliance monitoring at the taps of customers, daycares and schools for each system;
   - Development of school and childcare facility inventories for all Liberty Park Water's systems, and preparation for and the cost of sampling in these facilities; and
   - Preparation of messaging for public education and customer notifications.

3. Accounting Procedure
   The LCRRMA does not have a rate component.
   a. A debit entry shall be made to the LCRRMA to record all related costs including, but not limited to, developing of service line material inventories, lead and copper sampling plans/monitoring at the taps of private customers, daycares and schools/preparation of lead Service Line Replacement plans/public messaging, education and customer notifications.
   b. Monthly interest shall be calculated at 1/12 of the most recent month's interest rate on the 3-month non-financial Commercial Paper Rate, published in the Federal Statistical Release, to the average of the beginning-of-month and the end-of-month balances. H.15, (http://www.federalreserve.gov/Releases//H15>NFCP>M3.txt) or its successor publication.
   c. A debit entry equal to the revenue of each capital expenditure at Liberty Park Water's authorized rate of return and related expenses (including return, income taxes, ad valorem tax, depreciation, and other taxes and fees).
   d. A credit entry to transfer all or portion of the balance in the LCRRMA to other adjustment clauses for future rate recovery, as may be approved by the CPUC.

4. Effective Date
   The LCRRMA shall go into effect on the filing date of Advice Letter No. 334-W. The LCRRMA will remain open until one year after the completion of the LCRR.

5. Disposition
   Disposition of amounts recorded in the LCRRMA shall be determined in Liberty Park Water's next General Rate Case.

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RR. Drinking Water Fees Balancing Account

1. Purpose
The purpose of the Drinking Water Fees Balancing Account (DWFBA) is to track the difference between all actual drinking water fees charged by the State Water Resources Control Board (State Board) (based upon the revised fee schedule adopted by the State Board on September 22, 2021, and any subsequent revisions) and the drinking water fees authorized in rates.

2. Applicability
Liberty Park Water shall maintain the DWFBA by making entries at the end of each month as follows:

   a. A debit entry shall be made to the DWFBA at the end of each month to record the difference between actual drinking water fees and adopted drinking water fees.

   b. Pursuant to Standard Practice U-27-W of the Water Division, interest shall accrue to the DWFBA on a monthly basis by applying a rate equal to one twelfth of the 3-month non-financial Commercial Paper Rate, as reported in the Federal Reserve Statistical Release, to the average of the beginning-of-month and the end-of month balances. H.15, (http://www.federalreserve.gov/Releases//H15>NFCP>M3.txt), or its successor publication (debit or credit).

3. Effective Date
The DWFBA shall go into effect on the effective date of Liberty Park Water's Advice Letter 320-W, which December 15, 2021.

4. Disposition
Disposition of amounts recorded in the DWFBA shall be determined in Liberty Park Water's next General Rate Case application, or as otherwise determined by the Commission if the account's cumulative balance exceeds 2% of Liberty Park Water's adopted gross revenues. The recovery of over/under collections will be passed on to the customers through volumetric surcredits or surcharges.

SS. Interim Rates Memorandum Account

1. Purpose
The purpose of the Interim Rates Memorandum Account ("IRMA") is to track the difference between the interim rates and the final rates adopted by the Commission in A.24-01-002, et al, for rate case cycle 2025-2027. The authority to establish this account was granted in Administrative Law Judge Melvin's ("ALJ") ruling dated May 30, 2025 in A.24-01-002, et al.

2. Applicability
The IRMA applies to all areas served.

3. Effective Date
The IRMA will become effective on July 1, 2025.

4. Disposition
The IRMA will remain in effect until a decision is reached in Liberty Park Water's A.24-01-002, et al, and the new rates are implemented at which time Liberty Park Water will file an Advice Letter requesting amortization of the balance.

(Continued)

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TT. Water Contamination Litigation Memorandum Account (WCLMA)

1. Purpose

   The purpose of the Water Contamination Litigation Memorandum Account ("WCLMA") is to track costs related to litigating water contamination cases. The authority to establish this account is granted by Commission Resolution W-4094 (March 26, 1998) and D.10-12-058 (December 16, 2010).

2. Applicability

   Liberty Park Water shall maintain the WCLMA by making entries at the end of each month as follows:
   a. A debit entry is created for costs incurred due to contamination and may include but not limited to: capital investment in relation to the water contamination, related operating expense, A&G expense, and taxes associated with the plant funded through water contamination.
   b. A credit entry is created to record any amount received from damages, awards, settlements, government sources, and/or insurance companies.
   c. Interest shall accrue to the WCLMA on a monthly basis by applying a rate equal to one twelfth of the 3-month non-financial Commercial Paper Rate, as reported in the Federal Reserve Statistical Release, to the average of the beginning-of-month and the end-of-month balances. H.15, (http://www.federalreserve.gov/Releases/H15>NFCP>M3.txt), or its successor publication. (debit or credit).

3. Effective Date

   The WCLMA shall go into effect on August 15, 2025.

4. Disposition

   Disposition of amounts recorded in the WCLMA shall be determined in Liberty Park Water's General Rate Case application, or as otherwise determined by the Commission if the account's cumulative balance exceeds 2% of Liberty Park Water's authorized revenue requirement.

UU. Water Use Efficiency Plan (WUEP) and Conservation Memorandum Account **(N)**

1. Purpose

   Pursuant to Decision 26-05-032, as revised by Decision 26-08-012, Liberty Park Water shall continue its Water Use Efficiency Plan (WUEP). The WUEP consists of 20 conservation programs approved for Test Year 2025 and escalation years.

   Decision 26-05-032, as revised by Decision 26-08-012, authorized a Conservation Memorandum Account (CMA) to record incremental costs associated with compliance with the State Water Resources Control Board's conservation regulation, "Make Conservation a California Way of Life," incurred during the rate cycle covered by Decision 26-05-032. **(N)**

(Continued)

UU. Water Use Efficiency Plan (WUEP) and Conservation Memorandum Account (continued) **(N)**

2. Accounting Procedure

   The CMA shall record:

   a. Debit entries for incremental costs associated with compliance with the State Water Resources Control Board's conservation regulation, “Make Conservation a California Way of Life.”

   b. Monthly interest shall be calculated at 1/12 of the most recent month’s interest rate on the 3-month non-financial Commercial Paper Rate, published in the Federal Statistical Release, to the average of the beginning-of-month and the end-of-month balances. H.15, (http://www.federalreserve.gov/Releases//H15>NFCP>M3.txt) or its successor publication.

3. Disposition

   Amounts recorded in the CMA are subject to a reasonableness review in a General Rate Case, or in an appropriate advice letter filing consistent with General Order 96-B.

VV. Wells 46C and 41A PFOS and PFOA Mitigation Recovery Memorandum Account (W46/41 PMRA)

1. Purpose

   The purpose of the Wells 46C and 41A PFOS & PFOA Mitigation Recovery Memorandum Account (W46/41 PMRMA) is to record PFOS and PFOA mitigation costs associated with Wells 46C and 41A incurred during the rate cycle covered by Decision 26-05-032, as revised by Decision 26-08-012. As directed by Section 8.6.5 of Decision 26-05-032, as revised by Decision 26-08-012, recovery of amounts recorded in this account shall be requested in a future general rate case and remain subject to Commission review and approval.

2. Accounting Procedure

   Liberty Park Water shall maintain the W46/41 PMRMA by recording:

   a. Debit entries for PFOS and PFOA mitigation costs associated with Wells 46C and 41A.

   b. Credit entries for any reimbursements, grants, settlements, contributions, or other amounts received that offset costs recorded in the account.

   c. Monthly interest shall be calculated at 1/12 of the most recent month’s interest rate on the 3-month non-financial Commercial Paper Rate, published in the Federal Statistical Release, to the average of the beginning-of-month and the end-of-month balances. H.15, (http://www.federalreserve.gov/Releases//H15>NFCP>M3.txt) or its successor publication.

3. Disposition

   Disposition of the balance recorded in the W46/41 PMRMA shall be determined by the Commission in a future general rate case. **(N)**